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Mexico

Grain and Feed

Mexico Announces a Tariff Rate Quota on Dry Beans 2008

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Report Highlights:

On June 27 2008, Mexico's Secretariat of Economy (SE) announced that it will allow a total of 100,000 metric tons of dry bean to be imported duty-free under a tariff rate quota. The SE, through direct allocations to importers and industry, will administer this "unilateral" import quota, which will be valid from July 15 to October 31, of each year. The SE announcement also includes the administrative procedures for importers.

Includes PSD Changes: No Includes Trade Matrix: No Annual Report Mexico City [MX1] **Introduction:** This report summarizes an announcement that modifies the General Import and Export Tax Law from the Secretariat of Economy published in Mexico's "Diario Oficial" (Federal Register) on June 27, 2008.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: Agreement that to make known the assignment mechanism to import dry bean under the tariff rate quota.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) published on June 27, 2008 in the *Diario Oficial* (Federal Register) an Agreement that announces a tariff rate quota (TRQ) of 100,000 MT of dry edible beans as well as the mechanism to assign the associated import permits.

The Agreement states that on June 30, 2007 the Secretariat of Economy (SE) published a Decree modifying diverse import tariffs of the Tariff of the General Import and Export Law, which established an import-tariff rate quota on dry edible beans (H.S. 0713.33.02, 071333.03 and 071333.99). The TRQ will be allocated on a "first come, first serve" basis in order to contribute to the domestic supply under equal conditions of competition. According to the announcement, the measure is intended to facilitate consumer access to better food prices in international markets; stimulate food production, as well as protect the income of the Mexican families.

The TRQ will be valid from July 15 to October 31 of each year. Following are the TRQ details as contained in the "Diario Oficial" announcement:

Tariff Code	Description	Quantity
0713.33.02	White dry bean, except those included in the tariff code 0713.33.01.	100,000
0713.33.03	Black dry bean, except those included in the tariff code 0713.33.01.	tons
0713.33.99	Other	metric

The allocation of the TRQ will be as follow:

- 99,500 metric tons will be limited to importers or firms established in Mexico that have been participated in at least one of public auctions conducted in 2005, 2006 and 2007 to assign the import tariff rate quota under the North America Free Trade Agreement (NAFTA) or the Free Trade Agreement with Nicaragua.
- 500 metric tons for these firms that do not comply with the profile stated in the previous provision.

- Import permits will be available in lots of no more than 5,000 MT in each period

Interested parties may pick up information and documents beginning on June 28, from 11:00 – 14:30 (Mexico City Central time), in all SE offices throughout the country. The applications must be submitted in the following forms:

- SE-03-011-1 "Application of TRQ assignment," and
- SE-03-013-5 "Application of TRQ certificates (obtained by direct allocation assignment)", without fill the parenthesis 11) "Number of file of the TRQ assignment."

These forms could be found at the SE web page: www.economia.gob.mx or in the web page of the Federal Regulatory Improvement Commission (COFEMER).

www.cofemer.gob.mx

Background: On May 25, 2008, President Felipe Calderon announced a series of actions to confront rising food prices based on three main areas of action designed to protect Mexico from further exposure to increases in food prices. One of these actions was precisely authorize an import-tariff rate quota on dry edible beans (See MX 8027). U.S. exporters are already exempt from duty and TRQ provisions under the NAFTA as of January1, 2008.

Important Dates

Publication Date: June 27, 2008.
 Effective Date: June 28, 2008

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